



City of Santa Barbara Planning Division

PLANNING COMMISSION MINUTES

October 15, 2015

CALL TO ORDER:

Chair Thompson called the meeting to order at 1:00 P.M.

I. ROLL CALL

Chair Addison Thompson, Vice-Chair John P. Campanella, Commissioners Jay D. Higgins, Mike Jordan, Sheila Lodge, June Pujo, and Deborah L. Schwartz.

STAFF PRESENT:

George Buell, Community Development Director
Renee Brooke, AICP, City Planner
Beatriz Gularte, Senior Planner
Liz Limón, Project Planner
Ariel Calonne, City Attorney
N. Scott Vincent, Assistant City Attorney
Julie Rodriguez, Planning Commission Secretary

II. PRELIMINARY MATTERS:

A. Requests for continuances, withdrawals, postponements, or addition of ex-agenda items.

None.

B. Announcements and appeals.

None.

C. Review, consideration and action on the following draft Planning Commission Minutes and Resolutions:

1. Minutes of October 1, 2015

MOTION: Jordan/Schwartz

Approve the minutes.

This motion carried by the following vote:

Ayes: 5 Noes: 0 Abstain: 2 (Pujo, Thompson) Absent: 0

- D. Comments from members of the public pertaining to items not on this agenda.

Chair Thompson opened the public hearing at 1:02 P.M. and, with no one wishing to speak, closed the hearing.

III. DISCUSSION ITEM

ACTUAL TIME: 1:02 P.M.

POTENTIAL HOME SHARING ORDINANCE AMENDMENTS

The Planning Commission held a public hearing and discussed the opportunities, challenges and enforcement issues regarding short-term home sharing rentals. Short-term home sharing rentals occur when a resident hosts visitors in their home for a fee for less than 30 consecutive days. Staff is requesting that the Planning Commission make a recommendation to City Council about the feasibility and scope of a short-term home sharing rental ordinance.

Contact: Elizabeth Limón, Project Planner

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Phone: (805) 564-5470, ext. 4569

Elizabeth Limón, Project Planner, gave the Staff presentation. George Buell, Community Development Director; Ariel Calonne, City Attorney; and Renee Brooke, City Planner were available to answer the Commission's questions.

Chair Thompson opened the public hearing at 1:51 P.M.

The following people provided public comment:

1. Michael Conaway submitted written comments in support of Short-Term Home Sharing Rentals. He rents his home and has been paying the Transient Occupancy Tax (TOT). He does not believe that the owner should be required to be present on the premises during the home stay, but be nearby and available. Approving Home-Sharing would contribute to the City's (TOT).
2. Deborah Pentland, 32 year resident, supports Home Share rentals with non-occupied home owner present. Rather than being more restrictive, we need to be more embracing about Home Sharing and look into converting livable areas for more affordable housing.
3. Dorothy Wallstein operates home-share use of her home. As a widow, this additional income allows her to keep her home and make it available for returning family when they visit. She supports shared home rentals. She cannot contribute to the City's housing stock, but can support the community with shared home rental.
4. Tiffany Haller, Haller Coastal Homes, SBAOR; sees a problem with vacation rentals and home sharing and how they are designated. She asked that the City clean up an outdated ordinance with vacation rentals that should not be considered a commercial use. She is currently going through the Vacation Rental process and finds it to be disjointed and dynamic and needs an overhaul.

5. Todd Jacobs opposes the Home Sharing Ordinance and finds it worse than Vacation Rental by Owner (VRBO). It exacerbates noise, parking and other associated problems with having too many people in a house. The profit and commissions go to agents and speculators, while costs go to neighbors for preserving the neighborhood. This ordinance will be hard to enforce and easy to game. Without a resident owner, this will become a back-door means of operating a vacation rental. Short-term rentals are hard on neighbors and neighborhoods.
6. Brian Kenny concurred with Mr. Jacobs and does not think that an ordinance will be enforceable. Homestay Ordinance will lead to backdoor vacation rentals and not be enforceable.
7. Dick Buford, 25-year Bel Air Knolls resident, gave an example of a home in his neighborhood that became a vacation rental and operated with intermittent hosts that were not always on-site or available. Home sharing will turn residential neighborhoods into blighted commercial zones. He said that he was told by the Housing Authority that, in the last several years, the housing stock has fallen 1,400 units in Santa Barbara due to these commercial driven investments used as vacation rental operations. Ninety percent of residents don't like the current situation.
8. James Fenkner owns a vacation rental in Santa Barbara that he and his family rent out during the summer while they are away using other vacation rentals. We need to put in perspective that the number of complaints received are less than 1%, when you consider only 8 complaints have been filed out of 1000 units. Don't ban, manage. Does not think that the owner should be in the home of a vacation rental when it is rented out.
9. Samantha Ireland, Vacation Rentals of Santa Barbara, supports the City pursuing home sharing and stated that the current vacation rental process that exists today is cumbersome. Owner should not need to be present, but there should be someone designated with 24 hour availability that can respond to that home and is present to manage it and noted with the City on permits. Would like to understand the significant difference in renting a room for 29 days versus 31 days and the impact to the neighborhood. Would also like to compare vacation rental's effects with the growth of city college and the lack of city college housing for its growth.
10. Sean O'Neill supports home sharing and its enforcement. Technology has made it easier to network between homeowners and renters. Recommends licensing and regulation since home sharing is already here. Concerns can be mitigated between owners and neighbors. We have created Santa Barbara as a tourism destination so need to address visitors that cannot stay at hotels. He challenges the 1000-unit number given due to multiple listings over many websites. This ordinance presents an opportunity for the City to keep up with technology.
11. Steve Pearson submitted written comments. He has a small cottage that he rents out on a short term basis and pays TOT. Supports a limited home stay limited to 2 persons per bedroom/ 4 persons total per unit. Suggested limiting guest frequency, requiring off-street parking, and allowing cottages and accessory buildings to be used. He has no position on business licenses but asked that any business licenses that become required are workable.

12. Susan Claire Reed, 41-year resident, submitted written comments in support of home sharing. As a home share provider, she always remains in residence when she has guests. She is one of approximately 350 units that has a business license and pays TOT. She supports licensing and/or performance standards and host on site.
13. Bradley Bennett, 46-year resident, supports home sharing. He operates a home share and has been present when he has guests. Home sharing income has allowed his start up business to create 10 jobs in the City. Fair regulation is the best solution to addressing vacation rental concerns.
14. Theo Kracke, 34-year resident, supports home sharing rentals. One of the reasons why this process is being addressed is because of the shortage of affordable housing and the impact by short term rentals. Many factors are affecting the housing supply include the growth of City College students, the growth of foreign language schools, and growth of high tech business, such as Sonos. Another reason we are having this discussion is because of the impact of short term rentals on the character of neighborhoods. He gave examples of cities (Nashville, TN; Austin, TX) that limited the number of short term rentals by a percentage and suggested this as a means of preserving neighborhoods. A new definition of commercial use is needed as he does not see a difference between a 29 day rental versus a 30 day stay since they are all rentals and do not provide goods or services. He does not think an owner should be required to be present or that a minimum number of nights should be enforced.
15. Bryan Smith, 40-year resident, has a license for vacation rentals and pays TOT. He lives off-site when renting his home and provides a set of rules to all guests to live with neighbors. Regulation, enforcement, and monitoring are key issues that he sees will be more problematic with home sharing than with vacation rentals that can be tracked online. The staff report referenced 40 complaints in 10 years which he does not see as an emergency. Urges the Planning Commission to study home sharing and vacation rentals and help the City become a leader for years to come.
16. Jack Ucciferri, Our Town Property Management, submitted written comments and the benefit he provides homeowners by being present and available 24 hours a day as a property manager for home shared units. There are a number of enforcement tools that are available to the City and outlined in his letter. Home sharing presents a generational difference in viewpoints when seen by a younger generation.
17. David Bolton, vacation rental owner, noted that there are more single-family homes putting multiple cars on the street in his neighborhood than his vacation rental does. He gave examples in his neighborhood with 7 and 12 residents in one home, all parking on the street. We do not have enough hotel stock to go around and that is where vacation rentals fill in. Visitors also contribute to the economy. Vacation rentals tend to be utilized in trends. Summer is always full. During the fall, Monday-Thursdays are usually empty with visitors coming on weekends. This changes around February on when visitors seek a warmer climate. If he were to rent his units long term, he would end up with 14 cars on the street, based on his bedroom count, as opposed to zero now.
18. Barbara Bonadeo, 40-year resident, stated that neighborhoods are being destroyed by short term rentals impacting the character of residential neighborhoods. There is a difference between one night renters versus 30 day renters. The comings and goings

of travelers coming at all hours of day and night are the hallmark of a motel environment and expected in commercial zones. Once you turn a private residence into a commercial enterprise, it change the character of a neighborhood. Current laws that have not been enforced show a disregard to people. Reinstate and enforce original zoning laws that disallow commercial business use in residential neighborhoods.

19. Jenna Berg is in favor of home sharing and short-term rentals. We are a growing economy and there is no shutting down tourism which is a clean industry. There is a democratization of the tourist dollar when it comes to home sharing. She does not know where hotel income goes, but knows that short term rentals provide affordable housing for renters and supports local minimum wage increases.
20. Kipp Young, resident, was concerned with the efficiency of government and use of tax money. He sees no point in throwing good tax money out the window by using it to enforce something that is a relative non-issue. Suggested coming up with simple, less-invasive solutions, with enforcement based fines. Revoke licenses of offenders when they incur sufficient fines. Suggested guest pay a refundable fine deposit, refunded when they leave if no complaints received. Allow people to keep their housing due to changes in the economy by operating short term rentals. Sees short term rentals as a way to increase housing stock by turning unused rooms to used rooms. Don't create issues that force people to go underground.
21. Jane Fehrenbacker, 48 year resident, previously offered short term rentals to foreign students while living in her home. She now has a smaller home and does not do VRBO, except for twice a year without issue. She supports modifying the ordinance to include home sharing. Home sharers have more control over choosing who stays at a house, where hotels do not.

With no one else wishing to speak, the public hearing was closed at 2:42 P.M.

Commissioners Comments: Question No 1: Is a Home-Sharing Ordinance (HSO) worth Pursuing? 6/1 in favor

- Commissioner Pujo supports pursuing a home share ordinance, whether or not the host is present, as long as the rental is ancillary to the primary use of the residence, is very short-term, and has performance measured requirements that provide safeguards against nuisances.
- Commissioner Jordan reflected on neighborhood dynamics over time. Unlike any changes that were mitigated with his neighbors over time, he sees home sharing use as having these dynamics constantly present. He does not think that a HSO can be pursued because he does not see where the ordinance would be enforceable.
- Commissioner Jordan thinks that home sharing is already operating underground and should continue this way as long as it has good quality management, cooperation among neighbors, and if it rises to a level of complaints, then it is handled.
- Commissioner Jordan added that the purpose of TOT was to mitigate the impacts of tourism on the City's infrastructure. He cannot see home sharers needing to pay

- TOT when they do not generate as much impact on the infrastructure as hotels that generate a constant flow of people coming to town. Using a management company is not Home Sharing. If owner is not present, then it is a Vacation Rental
- Commissioner Lodge said that while the ordinance should be pursued, it may not be able to be enforced.
 - Commissioner Campanella supports the ordinance because it is a temporary use of a residence and can convert back based on seasonality. This does not change the long term use of the property. It is a less intensive use and serves to absorb the demand that cannot be met by hotels/motels. He is open to looking at home sharing rentals in residential neighborhoods but wants to be cognizant that home owners are more protective of their neighborhood than they would be under a month-to-month lease.
 - Commissioner Schwartz is hesitant in her support because she would like to see home sharers provide more of a commitment to renting to seniors or the workforce as opposed to a commercial use for tourism. She does not see this support in the letters that were received by the Planning Commission. She would like to see home sharing provide more of a balance with the housing needs of the community.
 - Commissioner Thompson agreed with City Council that homes used for Vacation Rentals by out of town owners are not what the City wants. Home Sharing rentals are not going to go away, so we need to work together to make it work. We already allow home occupations in residential zones and a home sharing could meet the current definition of a home occupation.
 - Commissioner Thompson cautions on putting too much into an ordinance. The more that is added, the more complicated and difficult it will be for Staff to enforce.

Question No 2: If yes, should it be regulated:

a) By Planning Permits and Performance Regulations? 5 in support

- Commissioner Schwartz stated that if we go this route we need to have the most robust and proactive monitoring and enforcement program in the City with swift due diligence on complaints. It cannot be a reactive complaint-driven program. All performance standards should be thoroughly vetted and wording used should be defined (home, resident, host, visitors, dwelling, etc.) so that the community is clear. This will require beefing up Planning Staff and City Attorney resources.

OR

b) Business License and registration? 2 in support

- Commissioner Higgins supports licensing issued with a list of standards that have consequences if they are failed. If complaints are received, then the license is revoked and a more extensive permitting can be done by the Planning Division

with performance standards. Inspections and monitoring bonds can also be considered. Expressed concern about unenforceable standards. He is curious to see how Staff later defines what constitutes a violation.

- Commissioner Higgins stated that the limitations of Planning Staff and the City Attorney's office may make this unenforceable.
- Commissioner Thompson said to keep it simple and just add it to the list of business license businesses. Just verify that it is the home of the business license applicant. If sufficient complaints of owner absence are received, then the business license can be revoked.

Question No 3: Should host be present in the home during stay? 5/2 in support

- Commissioners Pujo and Higgins do not think it is necessary to have the host present if there are a strong set of performance standards in place.
- Commissioner Schwartz stated that 'host' is too broad of a term and should be the home owner. The homeowner should not be allowed to delegate their responsibility to a friend or relative.
- Commissioner Jordan stated that the owner should be present. If not, then it is a Vacation Rental.
- Commissioner Thompson believes that a host should be present, but does not see this as enforceable.

IV. ADMINISTRATIVE AGENDA

ACTUAL TIME: 3:44 P.M.

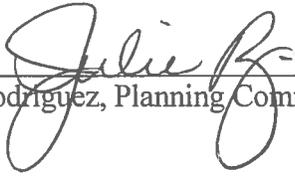
E. Committee and Liaison Reports

1. Staff Hearing Officer Liaison Report
 - a. Commissioner Jordan reported on the Staff Hearing Officer meeting of October 14, 2015.
2. Other Committee and Liaison Reports
 - a. Commissioner Schwartz reported on the Water Commission meeting of October 12, 2015.
 - b. Commissioner Lodge reported on the Historic Landmarks Commission meeting of October 7, 2015.

V. ADJOURNMENT

Chair Thompson adjourned the meeting at 3:50 P.M.

Submitted by,



Julie Rodriguez, Planning Commission Secretary